

Message Text

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PAGE 01 STATE 015974

72

ORIGIN NEA-13

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 FEA-02

INT-08 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 DODE-00 PM-07 H-03 L-03 PA-04

PRS-01 USIA-15 /173 R

66613

DRAFTED BY: NEA/IRN: BBMORTON

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EB/IFD/OIA: CLARKE ELLIS

EB/ORF/FSE: WBWHITMAN

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P 242140Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN PRIORITY

C O N F I D E N T I A L STATE 015974

E.O. 11652: GDS

TAGS: ENRG IR

SUBJ: TROBLES IN TRANSCO METHANOL PROJECT

1. COFIELD OF TRANSCO ENERGY CALLED ON NEA/IRN TODAY TO INFORM US THAT PROBLEMS HAVE ARISEN WITH GAS-TO-METHANOL PROJECT WHICH MAY CAUSE TRANSCO TO WITHDRAW.

2. WHEN AGREEMENT SIGNED SEPT 27 IT WAS WITH UNDERSTANDING THAT COUNCIL OF MINISTERS APPROVAL WAS REQUIRED WITHIN 90 DAYS. FIRST INKLING OF TROUBLE CAME ABOUT TWO MONTHS AFTER SIGNING WHEN MOSSADEGHI TOLD COFIELD IT APPEARED APPROVAL NOT POSSIBLE IN 90 DAYS. TRANSCO AGREED TO EXTENSION TO END JANUARY (SINCE EXTENDED TO END MARCH). SHORTLY THEREAFTER MOSSADEGHI GAVE COFIELD FIVE CHANGES TO CONTRACT WHICH WOULD BE REQUIRED IF NIGC "STOCKHOLDERS" CONFIDENTIAL

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PAGE 02 STATE 015974

(READ NIOC) REQUIREMENTS WERE TO BE MET. COFIELD SAYS ANY

ONE OF FIVE CHANGES WOULD MAKE PROJECT UNATTRACTIVE TO
TRANSCO. HE WILL CALL ON LEHFELDT EARLY NEXT WEEK TO DIS-
CUSS PROBLEM IN DETAIL.

3. COFIELD WAS UNABLE TO ASSIGN ANY SPECIFIC CAUSE TO NIGC
APPARENT CHANGE OF ATTITUDE, BUT SPECULATES IT MAY BE
RELATED TO DESIRE TO USE GAS RESOURCES IN BARGAINING WITH
FOREIGN INVESTORS ON BUILDING IRANIAN PETROCHEMICAL
INDUSTRY.

4. WE WILL APPRECIATE ANYTHING EMBASSY CAN PROVIDE
ON OUTLOOK FOR TRANSCO DEAL AND IMPLICATIONS FOR OTHER
PROSPECTIVE INVESTORS IN ENERGY FIELD IN IRAN. KISSINGER

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Message Attributes

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EO Systematic Review
30 JUN 2005

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To: TEHRAN
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